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Japan Is Faulted Over High-Tech Leaks to Soviets

The KGB has found Japan a rich source of western high-technology products that can be turned to military advantage by the Kremlin.

Yet Japanese officials are unwilling to stop the massive leakage of technology, or even admit it's going on. When confronted privately with the evidence, they profess skepticism that their trading benefits the Soviets militarily since, they say, it involves only commercial products.

Intelligence sources laid out the problem of Japan's weak export controls to my associates Michael Binstein in Washington and Dale Van Atta in Tokyo.

The sources said there have been about three dozen documented cases of high-tech diversion by the Soviets through Japan since 1968. The CIA is disturbed that more than half of these diversions were commercial transactions approved by the Japanese government, which, U.S. officials charge, puts short-term profits ahead of the West's long-term security needs.

But that's only the tip of the iceberg. The suspected cases of high-

tech theft run into the hundreds. The very uncertainty over the numbers is a source of continuing frustration for U.S. intelligence agencies.

By legal and illegal methods, the Soviets have bought Japanese manufacturing equipment and used it to build up their own microelectronics industry for military purposes. The Soviet objective is to improve the technology and productivity of industries that have historically lagged behind the West's: microelectronics, machine tools, automation and specialty steel.

Technology acquired from the Japanese has enhanced the Soviets' ground-based weapons systems and solid-state circuitry for missiles and aircraft, according to intelligence sources. The Soviets have obtained a satellite navigation system through Japanese trading firms.

The Soviets also used illegal means, such as industrial espionage and outright theft, to evade U.S. and other western export controls on products reaching Japan. In fact, there's a large KGB force working out of Soviet diplomatic residences in Japan whose sole mission is high-tech diversion.

Japan's national police and the public-security investigative agency have the primary responsibility of countering the high-tech theft, and they have impressive files on KGB agents and their operations.

But the police authorities have not been permitted to take action against the KGB's high-tech larceny, thanks to bureaucratic niceties.

Japanese law puts such matters outside the jurisdiction of the police and gives it to the ministries of foreign affairs and international trade.

The best the lawmen can do is provide "administrative guidance"—but no enforcement—for companies considering trade with the Soviets.

Multiple transshipment (shipments to four, five or more destinations) and creation of dummy corporations are two methods used by the KGB and profit-hungry Japanese businessmen to get around whatever restrictions there are.

Sometimes the illicit trade is a small-scale enterprise, as when Japanese fishermen win the privilege of fishing off islands claimed by the Soviets by meeting KGB agents at sea and slipping them everything from digital watches to microchips and information on U.S. and Japanese military bases.

Footnote: In an attempt to stop the high-tech drain, Congress is re-writing the Export Administration Act.

The debate has pitted Rep. Don Bonker (D-Wash.), who says Japan and other countries are adequately controlling high-tech exports, against Rep. Toby Roth (R-Wis.), who questions Japan's record.